

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO. 92-080
FOR ADJUSTMENT OF RATES)	

O R D E R

On March 30, 1992, Taylor County Rural Electric Cooperative Corporation, Inc. ("Taylor County RECC") applied to the Commission for authority to adjust its basic rates to produce additional annual revenues in the sum of \$785,000. Subsequently, it amended its application to adjust its rates to produce additional annual revenues of \$1,110,511.

Taylor County RECC is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and engaged in the distribution and sale of electric energy to approximately 18,031 customers in Taylor, Adair, and Casey counties in south central Kentucky.

No requests for formal intervention in this matter were received. A hearing was scheduled for September 16, 1992. A settlement conference between Commission Staff and Taylor County RECC was held on September 15, 1992.

As a result of these negotiations, a Settlement Agreement was reached and submitted to the Commission for its approval. Under the terms of this Agreement, Taylor County RECC will be granted a revenue increase of \$1,007,673 or 6.69 percent over normalized

total operating revenue. After careful review of the Agreement, the Commission finds that the Agreement's terms are reasonable and that its rate design and terms of service provisions are in conformity with generally accepted rate-making standards. The Commission further finds that the Agreement is in the public interest and should be accepted.

The Commission recognizes that the Agreement requires Taylor County RECC to exercise greater efforts to contain its medical insurance expenses. The Commission believes that these efforts are necessary to ensure the lowest possible rates. The Commission will review Taylor County RECC's progress in its next general rate case.

The Commission also recognizes that Taylor County RECC is to develop a written policy for its tree replacement program. As noted in the Agreement, the Commission Staff will review the written policy and offer comments and recommendations designed to enable this program to achieve its objectives.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto as Appendix A, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

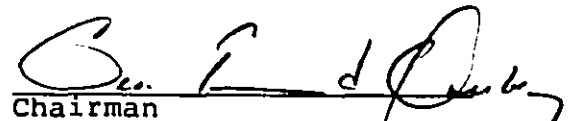
3. The rates set forth in Appendix B to this Order are approved for service rendered on and after the date of this Order.

4. Taylor County RECC shall, within 30 days of the date of this Order, file new tariffs reflecting the provisions of this Order.

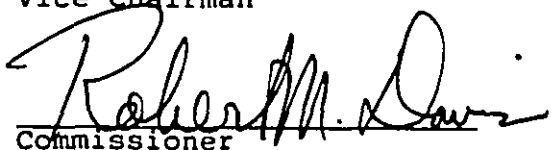
5. The approval of the Settlement Agreement shall be for purposes of this proceeding only and shall not be deemed to be binding upon the signatories in any other Commission proceeding nor shall it be offered or relied upon in any other Commission proceeding.

Done at Frankfort, Kentucky, this 9th day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-080 DATED 10/9/92

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 92-080
FOR ADJUSTMENT OF RATES)

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 30th day of September, 1992, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION, INC. ("Taylor County RECC").

W I T N E S S E T H :

THAT, WHEREAS, on March 30, 1992, Taylor County RECC applied to the Public Service Commission for authority to adjust its basic rates to produce additional annual revenues in the sum of \$785,568; and

WHEREAS, on July 8, 1992, Taylor County RECC amended its application for rate adjustment requesting authority to adjust its rates to produce additional annual revenues in the sum of \$1,110,511; and

WHEREAS, no persons have sought or been granted intervention in this proceeding; and

WHEREAS, Taylor County RECC and Commission Staff met on September 15, 1992 to discuss Taylor County RECC's application and reached agreement on all outstanding issues raised in it.

NOW, THEREFORE, be it resolved that:

1. Taylor County RECC shall be authorized to adjust its rates to produce additional operating revenues of \$1,007,673 annually, or total operating revenues of \$16,078,789, upon written acceptance of this Settlement Agreement by the Public Service Commission. The rates set forth in the Appendix to this Settlement Agreement will produce this level of revenue.

2. Taylor County RECC's revenue requirements as determined in this Settlement Agreement are based on a 2.0 TIER.

3. Taylor County RECC recognizes that its medical insurance expense is increasing at a significant rate and that increased efforts are necessary to contain this expense. Taylor County RECC shall make all reasonable efforts, including, but not limited to, investigating programs offered by other medical insurance vendors and negotiating with its employees on the level of medical insurance coverage, to reduce or contain the level of this expense.

4. Within 60 days of the date of an Order of the Commission accepting and approving this Settlement Agreement, Taylor County RECC shall reduce to writing its policies and rules for its tree replacement program and shall submit them to Commission Staff for its review. These policies and rules shall include, but not be limited to, discussion of the program's objectives and the criteria for the selection and location of replacement trees. Within 60 days of their receipt, Commission Staff shall submit to Taylor County RECC its written comments and recommendations on these policies and rules. Within 60 days of receipt of these

comments and recommendations, Taylor County RECC shall respond to these comments in writing and state what action, if any, it intends to take upon each recommendation.

5. This Settlement Agreement is subject to the approval and acceptance of the Public Service Commission.

6. If the Public Service Commission fails to accept and approve the Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

7. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, Taylor County RECC shall not apply for rehearing in this proceeding nor bring an action for review of that Order.

8. This Settlement Agreement is submitted for purposes of this case only and is not binding upon the signatories in any other Commission proceeding nor is it to be offered or relied upon in any other Commission proceeding involving the signatories.

9. This Settlement Agreement is lawful, reasonable and in the best interest of all concerned, will result in fair, just, and reasonable rates, and should be adopted by the Commission in its entirety.

AGREED TO BY:

TAYLOR COUNTY RECC

By: 

Date

SEPTEMBER 24, 1992

Title: COUNSEL

COMMISSION STAFF

By: 

Date

SEPTEMBER 30, 1992

Title: STAFF ATTORNEY

APPENDIX

AGREED RATE SCHEDULE FOR TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Residential

Customer Charge	\$5.39/Month
All KWH	.05748

GP1 Small Commercial

Customer Charge	\$6.48/Month
All KWH	.059740

GP2 Large Power

Customer Charge	\$43.42/Month
All KW	4.64/KW
All KWH	.04188

STL Street Lighting

Incandescent	Monthly Energy	Monthly Charge Per Fixture
75 Watts	30 KWH	\$2.27
150 Watts	60 KWH	2.84
200 Watts	80 KWH	2.84
300 Watts	120 KWH	3.41
Mercury Vapor		
175 Watts	70 KWH	\$2.84
250 Watts	100 KWH	3.41
400 Watts	160 KWH	4.52
High Pressure Sodium		
100 Watts	41 KWH	\$3.25
250 Watts	106 KWH	5.00

SL Security Lighting

Mercury Vapor	Monthly Energy	Monthly Charge Per Fixture
175 Watts	70 KWH	\$2.84
400 Watts	160 KWH	4.52
High Pressure Sodium		
100 Watts	41 KWH	\$3.25
250 Watts	106 KWH	5.00

CHARGES:**Service and Collection**

Regular	\$25.00
Overtime	35.00
Reconnect	
Regular	50.00
Overtime	70.00
Return Check	15.00
Meter Reading	35.00
Meter Test	20.00

CATV

Pole	
Two-Party	\$.1983
Three-Party	.1792
Anchor	
Two-Party	.1967
Three-Party	.1308
Ground	.0858

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-080 DATED 10/9/92

The following rates and charges are prescribed for the customers in the area served by Taylor County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential	
Customer Charge	\$5.39/Month
All KWH	.05748

GP1 Small Commercial	
Customer Charge	\$6.48/Month
All KWH	.05974

GP2 Large Power	
Customer Charge	\$43.42/Month
All KW	4.64/KW
All KWH	.04188

STL Street Lighting

Incandescent	Monthly Energy	Monthly Charge Per Fixture
75 Watts	30 KWH	\$2.27
150 Watts	60 KWH	2.84
200 Watts	80 KWH	2.84
300 Watts	120 KWH	3.41
Mercury Vapor		
175 Watts	70 KWH	\$2.84
250 Watts	100 KWH	3.41
400 Watts	160 KWH	4.52
High Pressure Sodium		
100 Watts	41 KWH	\$3.25
250 Watts	106 KWH	5.00

SL Security Lighting

	Monthly Energy	Monthly Charge Per Fixture
Mercury Vapor		
175 Watts	70 KWH	\$2.84
400 Watts	160 KWH	4.52
High Pressure Sodium		
100 Watts	41 KWH	\$3.25
250 Watts	106 KWH	5.00

CHARGES:

Service and Collection	
Regular	\$25.00
Overtime	35.00
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